

Message Text

UNCLASSIFIED

PAGE 01 COPENH 04756 251118Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 PA-02 L-03 H-02 /110 W
-----046349 252307Z /45

R 251056Z JUL 78
FM AMEMBASSY COPENHAGEN
TO SECSTATE WASHDC 6890
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

UNCLAS COPENHAGEN 4756

USEEC

USOECD

EO 11652: NA
TAGS: EFIN DA
SUBJ: DANISH OFFICIAL DISCOUNT RATE DOWN FROM 9 TO 8 PERCENT

1. ON JULY 24, 1978, DANISH CENTRAL BANK UNEXPECTEDLY ANNOUNCED A
REDUCTION IN THE OFFICIAL DISCOUNT RATE FROM 9 TO 8 PERCENT
EFFECTIVE JULY 25, 1978.

2. THE RATIONALE BEHIND THE DISCOUNT RATE REDUCTION LIES IN THE
PRESENT STABLE DEVELOPMENT IN THE DANISH KRONE, PRIMARILY IN
RELATION TO OTHER EUROPEAN CURRENCIES IN THE SNAKE. FURTHERMORE,
THE PRESENT INFLATION RATE DEVELOPMENT IN DENMARK, WITH PRICES
INCREASING ONLY 6 PERCENT ON AN ANNUAL BASIS, AND A POSITIVE
DEVELOPMENT IN THE DANISH TRADE AND PAYMENTS BALANCES IN THE
SECOND QUARTER CREATE BASIS FOR THE DISCOUNT RATE REDUCTION.

3. DANISH COMMERCIAL BANK AND CREDIT INSTITUTIONS ARE EXPECTED TO
REDUCE THEIR LENDING RATES ACCOURDINGLY.

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WHITE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, INTEREST RATES, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1887548
Secure: OPEN
Status: NATIVE
Subject: DANISH OFFICIAL DISCOUNT RATE DOWN FROM 9 TO 8 PERCENT
TAGS: EFIN, DA
To: STATE
Type: TE
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Review Markings:
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